



2001-2003

OPERATING BUDGET

BUDGET HIGHLIGHTS

JUNE 21, 2001

2001-03 Balance Sheet SB 6153, As Passed House

	1999-2001	2001-2003
RESOURCES		
March Revenue Forecast	21,312	22,216
June Revenue Change (incl. fed. estate tax)	(27)	(109)
Beginning GF Balance	462	601
Tax Reductions (Passed by Legislature)	(0)	(8)
Tax Reductions (Estimated Possible)	-	(20)
Budget Driven Revenue and Minor Transfers	-	38
Multi Modal Account Transfer	-	70
Health Services Account Transfers	121	150
Available Resources	21,868	22,938
APPROPRIATIONS AND LIMIT		
Total Appropriations	21,046	22,787
Spending Limit	21,063	22,850
GENERAL FUND BALANCE		
Ending Balance	601	151
EMERGENCY RESERVE FUND BALANCE		
Beginning Balance + Interest	578	541
Transportation Transfer	(35)	(70)
Earthquake/ Drought/ Energy	(58)	(25)
Ending Balance	485	446

PUBLIC SCHOOLS

INITIATIVES

INITIATIVE 728 -- \$393.3 MILLION STUDENT ACHIEVEMENT FUND, \$76.7 MILLION EDUCATION CONSTRUCTION ACCOUNT

The operating budget appropriates \$393.3 million of student achievement fund moneys to be distributed to school districts at a rate of \$193.92 per full time equivalent (FTE) student for the 2001-02 school year and \$220.59 per FTE student for the 2002-03 school year. The permissible uses of this money are as follows: smaller classes in grades K-4; smaller classes for certain grade 5-12 classes; extended learning opportunities in grades K-12; professional development for educators; early childhood programs; and building improvements or additions to support class size reductions or extended learning programs.

INITIATIVE 732 -- \$318.0 MILLION GENERAL FUND-STATE

Funds are provided to implement Initiative 732 to provide annual cost-of-living increases for state-funded teachers and staff in public schools. The cost-of-living increase is based on the Seattle consumer price index and provides an increase of 3.7 percent for the 2001-02 school year and another increase for the 2002-03 school year to be specified by the 2002 Legislature consistent with the provisions of Initiative 732.

OTHER ENHANCEMENTS

K-4 CLASS SIZE/EXTENDED LEARNING -- \$85.7 MILLION GENERAL FUND-STATE

Funds are provided to continue the Better Schools class-size and extended learning component. The program is transferred to the apportionment program to consolidate multiple funding sources for grade K-4 staffing allocations into one program. This component provides an additional 2.2-certificated instructional staff per 1000 full-time equivalent students for class size reduction and extended learning purposes in grades K-4.

HEALTH BENEFIT INCREASES -- \$80.6 MILLION GENERAL FUND-STATE

Funds are provided to increase the health benefit rate from the current \$425.89 per month to \$455.27 per month for the 2001-02 school year and \$493.59 per month for the 2002-03 school year. These increases are comparable to the increases provided to state employees.

READING CORPS -- \$7.8 MILLION GENERAL FUND-STATE

Funds are provided for Reading Corps grants for schools in which significant numbers of students in grades K-6 do not perform well on reading assessments

FOCUSED ASSISTANCE -- \$2.8 MILLION GENERAL FUND-STATE

Funding is provided to the Office of the Superintendent of Public Instruction to conduct educational audits of low performing schools and to enter into performance agreements to implement the recommendations of the audit and the community. Each educational audit will include recommendations for best practices and ways to address identified needs.

SCHOOL SAFETY ALLOCATION INCREASE -- \$6.1 MILLION GENERAL FUND-STATE

Funds are provided for a school safety allocation to school districts at a rate of \$6.36 per student per year. The total biennial allocation for school safety is \$12.1 million and can be used to create and implement school safety plans.

INCREASE THE SPECIAL EDUCATION ENROLLMENT MAXIMUM -- \$2.9 MILLION GENERAL FUND-STATE

Starting with the 2002-03 school year, funds are provided to increase the percentage of a school district's full time equivalent enrollment funded as special education from the current maximum of 12.7 percent to 13.0 percent.

MENTOR/BEGINNING TEACHER ASSISTANCE EXPANSION -- \$2.5 MILLION GENERAL FUND-STATE

Funding for teacher mentoring is increased from \$3.4 million per year to \$4.7 million per year. Of the amounts provided, \$200,000 each year may be used for a mentor teacher academy. Program requirements are listed in the budget.

ALTERNATIVE TEACHER CERTIFICATION ROUTES -- \$2.0 MILLION GENERAL FUND-STATE

Funds are provided to implement SB 5695 (Alternative Teacher Certification). The bill creates two grant programs, one providing stipends for alternative teacher candidates and teacher mentors, and the other conditional scholarships providing forgivable loans to alternative teacher candidates if they teach in Washington public schools.

LASER SCIENCE PROGRAM -- \$1.7 MILLION GENERAL FUND-STATE

Funds are provided for the LASER Science Program. Under the program, the Superintendent of Public Instruction will contract with the Pacific Science Center for a statewide program coordinator and the initial purchase of science kits for districts that participate in the LASER program

MATH HELPING CORPS EXPANSION -- \$1.7 MILLION GENERAL FUND-STATE

Funds are provided to expand the math helping corps from the current \$2.0 million to \$3.7 million. The purpose of the math helping corps is to provide assistance to school districts having difficulties meeting the math standards under education reform.

ANTI-BULLYING/HARASSMENT TRAINING -- \$500,000 GENERAL FUND-STATE

Funds are provided to the Office of the Superintendent of Public Instruction to create and disseminate a model policy and develop training materials.

NONVIOLENCE LEADERSHIP TRAINING -- \$300,000 GENERAL FUND-STATE

Funds are provided for a statewide Nonviolence and Leadership Training Program provided by the Institute for Community Leadership. The program provides up to 80 percent matching funds to provide workshops serving at least 12 school districts and 36 school buildings throughout the state.

NATIONAL TEACHER CERTIFICATION BONUS -- \$241,000 GENERAL FUND-STATE

Funds are provided to increase the duration of the \$3,500 annual bonus for attaining national teacher certification from the current two years to three years.

SCHOOL SAFETY TRAINING -- \$381,000 GENERAL FUND-STATE

Funds are provided to implement a school-safety training program for school administrators and school safety personnel provided by the Criminal Justice Training Commission.

2001-03 K-12 POLICY CHANGES
State Sources (Dollars in Thousands)

Policy Changes:

1. Initiative 728, Student Achievement Fund	\$393,300
2. Cost-Of-Living Increase (Initiative 732)	318,024
3. K-4 Class Size/Ext. Learning (Better Schools)	85,735
4. Health Benefit Increases	80,635
5. Reading Corps	7,759
6. Increase School Safety Allocation	6,147
7. Increase Special Ed Enrollment Maximum	2,875
8. Focused Assistance to Schools	2,800
9. Expand Mentor/Beginning Teacher Asst.	2,500
10. Alternative Certification Routes	2,000
11. LASER Science Program	1,729
12. Expand Helping Corps	1,656
13. Expand Principal Leadership Development	1,000
14. State Leadership for Sch Improvement	768
15. OSPI Information Systems	700
16. Civil Liberties Ed. & WWII Oral History	600
17. Antibullying/Harassment Training	500
18. Non-Violence Leadership Training	300
19. Web-Based Instructional Network	260
20. National Teacher Certification Bonus	241
21. Transfer CISL Staff	230
22. School Safety Training	216
23. Scoring of 10th Grade Writing WASL	209
24. School Safety Office	200
25. Performance Assistance & Recognition Plaques	200
26. Certificate of Mastery Development	100
27. Return Writing WASL	93
28. Bilingual Tracking (HB 2025)	70
29. Pension Rate Changes	-136,847
30. Elim. Better Schools Staff Development	-40,178
31. Block Grant Reduction	-17,635
32. Reduce Traffic Safety Ed. Allocation	-8,082
33. WASL Resources, Federal Funds Use	-4,000
34. Statewide Programs Reduction	-3,818
35. Eliminate Information Tech Workforce Trng.	-3,600
17. Change WASL Assessment Timeline	-2,301
36. Audit Team Savings	-2,000
38. Eliminate Magnet School Funding	-1,600
39. Discontinue CISL	-1,260
40. State Office Admin Reductions	-680
41. Eliminate Geographic Alliance	-100
Total Policy Changes	\$ 603,011

HIGHER EDUCATION

ENROLLMENTS

NEW ENROLLMENTS -- \$31 MILLION GENERAL FUND-STATE, \$12.5 MILLION TUITION

The budget provides for 3,575 new enrollments at the state's colleges and universities: 435 enrollments are allocated to the baccalaureate institutions; 3,140 enrollments to the community and technical colleges.

Funded Enrollments for the 2001-03 Biennium						
	Budgeted Base	Change FY02	Change FY03	Change Total	Revised 2001-03	Percent Change
University of Washington	34,688	132	326	458	35,146	1.3%
Seattle		55	106	161		
Bothell		33	66	99		
Tacoma		44	154	198		
Washington State University	19,847	-277	124	-153	19,694	-0.8%
Pullman		-277	0	-277		
Spokane		0	42	42		
Vancouver		0	0	0		
TriCities		0	82	82		
Central Washington University	7,867	-397	0	-397	7,470	-5.0%
Eastern Washington University	7,864	69	84	153	8,017	1.9%
The Evergreen State College	3,713	41	83	124	3,837	3.3%
Western Washington University	10,826	150	150	300	11,126	2.8%
Timber Workers	550	-550	0	0	0	-100.0%
Community & Technical Colleges	123,262	1,820	1,820	3,640	126,902	3.0%
All Schools	208,617	988	2,587	3,575	212,192	1.7%

TECHNOLOGY INSTITUTE & PARTNER 2-YEAR COLLEGES -- \$5.7 MILLION GENERAL FUND-STATE, \$560,000 TUITION, \$2.0 MILLION STATE CAPITAL FUNDS

The budget earmarks \$8.3 million in operating and capital funds to create a Technology Institute, operating from the Tacoma branch campus of the University of Washington. The budget includes enrollment funds for 99 new undergraduate and graduate technology students at the UW, and 140 new students for partner two-year colleges in Grays Harbor, King, Kitsap, Pierce and Thurston counties. Capital funds are provided not only to match private gifts received by the UW, but also to construct and equip three computer language labs for three, regional college partners.

INLAND NORTHWEST TECHNOLOGY EDUCATION CENTER -- \$1 MILLION GENERAL FUND-STATE

Funds are provided to operate and develop this Spokane-based higher education resource, the Inland Northwest Technology Education Center (INTEC).

FINANCIAL AID

STATE NEED GRANT -- \$17.8 MILLION GENERAL FUND-STATE

Additional money from the general fund for need-based financial aid to reflect new enrollments and changes in state tuition fees.

WASHINGTON COLLEGE PROMISE SCHOLARSHIP -- \$17 MILLION GENERAL FUND-STATE (INCLUDES \$5.8 MILLION BASE FUNDING CARRYFORWARD)

Funds are provided to support students' access to higher education through the Promise Scholarship program. Students graduating in the top 15 percent of their high school class in 2001 and 2002, including those who qualify on the basis of an SAT or ACT score, and whose family incomes are no greater than 135 percent of the median family income will be eligible to receive up to 2 years' worth of the full-time community college tuition.

STATE WORK STUDY -- \$3 MILLION GENERAL FUND-STATE

State budgets for the Work Study Program have not grown commensurate with new enrollments. The budget expands participation levels by 800 and raises the average wages by \$60 per academic year.

COMPENSATION

COST OF LIVING INCREASE -- \$106.7 MILLION GENERAL FUND-STATE

Most higher education employees will receive a 3.7 percent cost of living increase effective July 1, 2001. Funding is also provided for an increase in fiscal year 2003, in an amount to be determined by the 2002 legislature, consistent with the provisions of Initiative 732 for academic employees and technical college employees.

PART-TIME FACULTY COMPENSATION -- \$7.5 MILLION GENERAL FUND-STATE

Resources are provided to address salary equity for part-time instructors employed by the state's 34 community and technical colleges. Colleges are encouraged to apply local funds to help reduce the gap between part-time faculty compensation rates and comparable full-time rates.

INCREMENTS -- \$3.5 MILLION GENERAL FUND-STATE

State community and technical colleges provide faculty and staff raises on a targeted basis in recognition of meritorious service, professional development and longevity of service.

TUITION

Governing boards will decide the appropriate level of tuition within limits set out by the budget.

- For resident undergraduate and most graduate level study, tuition may increase by a maximum of 6.7 percent in 2002 and 6.1 percent in 2003.
- For law and graduate-level business students, tuition may increase by a maximum of 12 percent each academic year, except business students attending the University of Washington where regents may raise tuition fees by a maximum of 15 percent in 2002 and 20 percent in 2003.

OTHER ENHANCEMENTS

ON LINE CAMPUS -- \$4.5 MILLION OTHER FUNDS

The budget supports the effort of the State Board for Community & Technical Colleges to develop a multi-college, student-centered on-line service center for distance learners by appropriating cash expected to be available from the Education Savings Account.

COMMUNITY DEVELOPMENT PROGRAM -- \$2 MILLION GENERAL FUND-STATE

Supporting those adversely impacted by business closures and job reductions, the budget provides resources for community and technical colleges to develop new programs for dislocated workers, particularly those living in rural communities.

NORTH SNOHOMISH, ISLAND AND SKAGIT COUNTY CONSORTIUM -- \$1.1 MILLION GENERAL FUND-STATE

The budget provides resources needed to lease space and support distance classes offered to residents in the Everett region through a unique partnership of eight public institutions. Collectively, the NSIS higher education consortium expects to be serving over 1,000 FTE students by the close of the 2001-03 biennium.

ADVANCED TECHNOLOGY INITIATIVES -- \$600,000 GENERAL FUND-STATE

The budget supports applied technology research by the University of Washington and Washington State University in such matters as photonics, genomics, and advanced wood composites.

**HIGHER EDUCATION
POLICY ITEMS AND INITIATIVES**
(State Sources, Dollars in Thousands)

<u>Description</u>	<u>Amount</u>
Higher Education COLA, (I-732)	\$ 106,708
New Enrollments	31,001
Health Benefits Increases	25,343
State Need Grants	17,841
Promise Scholarships	11,200
Part-Time Faculty Pay	7,500
Technology Institute & Partners	5,753
SIRTI Operations	3,000
Faculty Increments	3,500
State Work Study	3,000
Rural Community Development Grants	2,000
North Snohomish Island Skagit (NSIS)	1,145
CWU Recovery Plan	700
Institute for Public Policy Studies	549
Advanced Technology Initiatives	600
Jefferson County Rural Demonstration	350
College Assistance Migrant Program	50
Multiple Sclerosis Incidence Survey	50
Educator Excellence Awards	(431)
Fund for Innovation	(600)
FICA Savings	(1,982)
Adult Basic Education Fee	(3,000)
Timber Worker Training Funds	(3,442)
Pension Savings	(11,494)
No Inflation Cost Allowance	(13,040)
Operating Cost Reductions	(19,918)
Total Policy Changes (Net)	\$ 166,383

COMPENSATION

SALARIES

STATE EMPLOYEES COST OF LIVING ADJUSTMENT -- \$115.1 MILLION GENERAL FUND-STATE

To offset expected inflation the budget funds an across-the-board salary increase of 3.7 percent on July 1, 2001. Funding is also provided for an increase for FY 2003, in an amount to be determined by the 2002 legislature.

TOTAL COLA SALARY INCREASES	\$ MILLIONS GF-S
K-12 Employees	\$ 318
Higher Education Employees	107
State Employees	115
Vendors (2.1 percent and 2.3 percent)	89
TOTAL	\$ 629

RECRUITMENT AND RETENTION PRIORITIES -- \$27.5 MILLION GENERAL FUND-STATE

The budget provides funding for nine highest priority salary increase proposals adopted by the WPRB as part of the "6767" process. The job classes that will receive increases effective January 1, 2002, include: Psychiatrists, Psychologists, Information Technology positions, Forensic Scientists, Social Workers, Campus Police, Financial Classifications, Insurance Examiners, Registered Nurses, Licensed Practical Nurses, and Pressure Vessel Inspectors.

WORKER WAGE INCREASES -- \$19.5 MILLION GENERAL FUND-STATE, \$19.2 MILLION GENERAL FUND-FEDERAL

The budget provides sufficient funds for a 50-cent per hour wage increase, effective the first day of the biennium, for homecare workers, and for direct care workers who earn less than \$10 per hour in nursing homes, adult family homes, group homes, assisted living facilities, and residential programs serving persons with developmental disabilities.

ASSISTANT ATTORNEYS GENERAL -- \$3.1 MILLION GENERAL FUND-STATE, \$3.1 MILLION OTHER FUNDS

The budget provides funding to increase beginning salaries, to provide merit-based salary increases, and to address recruitment and retention problems in certain specialty areas of practice, such as torts, revenue, utilities, and other high-demand fields.

HEALTH BENEFITS

STATE AGENCY AND HIGHER EDUCATION EMPLOYEE HEALTH BENEFITS COST INCREASES -- \$52.5 MILLION GENERAL FUND-STATE

The budget increases the monthly state contribution for health insurance and related

benefits for state agency and higher education employees from a current level of \$436.16 to \$457.29 in Fiscal Year 2002 and to \$497.69 in Fiscal Year 2003, an increase of \$61.53 over two years, or 14 percent. This funding level reflects the following expected changes in state employee health benefits:

- Increases in employee co-payments for ambulance service, emergency room visits, and in-patient and out-patient hospital care;
- Elimination of double premium payments to health plans where married employees are both state employees; and
- An increase in the employee share of the total monthly contributions for health insurance related benefits. The current employee premiums pay about 6 percent of the cost of the total benefit package; this would increase to about 8 percent in 2002 and to 10 percent in 2003.

The average state employee premium would be expected to increase from about \$28 per month to \$52 per month in calendar year 2002, and to \$58 in 2003. The funding level assumes no increase in the current \$10 co-pay for office visits and no changes to the current pharmacy benefit co-pays.

PENSIONS

PENSION CONTRIBUTION RATE ADJUSTMENTS -- \$197 MILLION GENERAL FUND-STATE SAVINGS

The budget (in separate legislation SB 6167) includes reductions in employer and state contributions for PERS, SERS, TRS, and LEOFF Plan 2. The new funding provisions increase the long-term salary growth assumption to 4.5 percent and the long-term investment return assumption to 8 percent; re-establish the June 30, 2024, target date for full funding all PERS 1 and TRS 1 liabilities; and provide a four-year period for smoothing investment gains and losses.

HUMAN SERVICES

HEALTH-CARE

ENHANCEMENTS

LOW-INCOME MEDICAL ASSISTANCE PROGRAMS -- \$570 MILLION GENERAL FUND-STATE, \$457 MILLION GENERAL FUND-FEDERAL (MAINTENANCE LEVEL INCREASE)

The state will spend almost \$6 billion next biennium to provide medical and dental care for low-income people through Medicaid and other DSHS medical assistance programs. This is over \$1 billion (28 percent) more than will be expended on such services during 1999-01. About one-third of the increased cost is due to covering more people. The remaining two-thirds of the more than \$1 billion increase is due to higher costs per person covered.

CHILDHOOD IMMUNIZATIONS -- \$10.4 MILLION HEALTH SERVICES ACCOUNT, \$300,000 GENERAL FUND-STATE

Funded is provided to make the new pneumococcal conjugate vaccine available free of charge for all children aged two and younger in the state, regardless of their income or insurance status.

PUBLIC HOSPITAL DISTRICT REVENUE SHARING -- \$7.0 MILLION HEALTH SERVICES ACCOUNT

Public hospital districts would retain \$41 million of the additional revenues available through "pro-share" intergovernmental transfer arrangements, rather than the \$34 million provided in the original budget.

CHILDREN'S HEALTH INSURANCE PROGRAM ENROLLMENT -- \$3.0 MILLION HEALTH SERVICES ACCOUNT, \$5.6 MILLION GENERAL FUND-FEDERAL

Additional funds are provided so that all eligible children who apply for medical and dental coverage through the state's Children's Health Insurance Program (CHIP) may enroll without a waiting period

SMALL RURAL HOSPITALS -- \$1.3 MILLION GENERAL FUND-STATE, \$700,000 GENERAL FUND-FEDERAL

In accordance with Substitute House Bill 1162, small rural hospitals certified as "critical access hospitals" under state and federal guidelines will receive full-cost reimbursement for services delivered under DSHS Medical Assistance programs.

AIDS PRESCRIPTION DRUG PROGRAM -- \$1.0 MILLION GENERAL FUND-STATE, \$800,000 OTHER FUNDS

The budget provides additional funding to keep pace with enrollment in the AIDS Prescription Drug Program, which is growing by 14 percent per year. The program uses state and federal funds to pay for prescription medications, laboratory services, and limited outpatient care for persons with HIV disease.

TREATMENT FOR BREAST AND CERVICAL CANCER -- \$500,000 HEALTH SERVICES ACCOUNT, \$400,000 PRIVATE, \$1.7 MILLION GENERAL FUND-FEDERAL

As authorized in Substitute House Bill 1058, the state will provide full-scope Medicaid benefits for low-income uninsured women who have been diagnosed with breast or cervical cancer.

SAVINGS AND REDUCTIONS

DSHS UTILIZATION AND COST MANAGEMENT -- \$50.1 MILLION GENERAL FUND-STATE SAVINGS, \$32.4 MILLION GENERAL FUND-FEDERAL SAVINGS

The department is directed to devise and implement additional methods to manage utilization and costs in Medicaid and other state-funded medical programs for low-income citizens. Together, these measures are expected to avoid about 3% of the 13% average growth in state medical assistance programs previously projected for next biennium.

BASIC HEALTH PLAN ENROLLMENTS -- \$26.5 MILLION HEALTH SERVICES ACCOUNT SAVINGS

Beginning in January 2002, an average of 125,000 people are to be enrolled in the subsidized Basic Health Plan (BHP), rather than an average of 133,200 as budgeted for the 1999-01 biennium.

BASIC HEALTH PLAN CO-PAYS -- \$2.6 MILLION HEALTH SERVICES ACCOUNT SAVINGS
Co-payments will increase by \$2 on prescriptions for which BHP enrollees presently pay \$1 - \$3. No other changes are proposed in the share of BHP premium costs subsidized by the state.

LONG TERM CARE

ENHANCEMENTS

NURSING HOME PAYMENT RATES -- \$19.3 MILLION GENERAL FUND-STATE, \$19.6 MILLION GENERAL-FEDERAL

In accordance with the provisions of SHB 2242, nursing home payment rates will increase by an average of 4.4% per year during the 2001-03 biennium. After accounting for the low-wage worker increase in the proposed budget, \$43.3 million will be expended upon nursing home rate increases in 2001-03.

IMPROVED CAREGIVER TRAINING -- \$800,000 GENERAL FUND-STATE, \$800,000 GENERAL FUND-FEDERAL

In accordance with Substitute Senate Bill 6502 enacted during the 2000 legislative session, new training requirements will take effect in March 2002 for staff who care for elderly and disabled persons in their own homes or in community residential facilities.

EXCEPTIONAL RATES FOR PERSONS WITH DEMENTIA -- \$725,000 GENERAL FUND-STATE, \$740,000 GENERAL FUND-FEDERAL

Funding is provided for exceptional care rates so that an average of at least sixty persons with Alzheimer's disease or related dementias who might otherwise require nursing home care can instead reside in community boarding facilities designed and equipped to provide specialized care for such conditions.

IN-HOME NURSING SERVICES -- \$452,000 GENERAL FUND-STATE, \$458,000 GENERAL FUND-FEDERAL

The budget provides sufficient funding to triple the number of recipients of in-home care who receive skilled nursing visits; to double the average number of nursing visits per recipient; and to double the current hourly payment rate for such services.

EASTERN WASHINGTON STATE VETERANS HOME -- \$11 MILLION OTHER FUNDS

The budget authorizes funding for the acquisition and operation of a state Veterans' Home in Eastern Washington. The Department of Veterans Affairs will acquire an existing nursing facility in the Spokane area, and operate it with a combination of federal funding, resident charges, and state and federal Medicaid payments.

SAVINGS AND REDUCTIONS

FREEZE CHORE SERVICES ENROLLMENTS -- \$1.5 MILLION GENERAL FUND-STATE SAVINGS

As an alternative to the proposed elimination of the program, the budget speeds the phase-out of the chore services program which has been underway since 1994 by providing for a

freeze on all new admissions, except for those needed for Adult Protective Services cases. All persons currently enrolled in chore services will be able to continue on the program.

PERSONS WITH DISABILITIES

ENHANCEMENTS

COMMUNITY PLACEMENTS FOR PERSONS WITH DEVELOPMENTAL DISABILITIES -- \$12.0 MILLION GENERAL FUND-STATE, \$12.9 MILLION GENERAL FUND-FEDERAL

The budget expands community placements for persons with developmental disabilities and improves staffing levels for case managers who oversee the quality of community care.

PSYCHIATRIC HOSPITAL CARE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES -- \$3.3 MILLION GENERAL FUND-STATE

Funding is provided for Eastern and Western State Hospitals to deliver more specialized care, combining both developmental and mental health treatment components, for persons with developmental disabilities.

MENTAL HEALTH LAWSUIT -- \$3.5 MILLION GENERAL FUND-STATE, \$400,000 GENERAL FUND-FEDERAL

Funds are provided for the Department of Social and Health Services to settle a lawsuit by the Washington Protection and Advocacy System.

INCREASE INVOLUNTARY TREATMENT BEDS FOR PERSONS WITH DRUG AND ALCOHOL ADDICTIONS -- \$3.2 MILLION GENERAL FUND-STATE

The budget funds a 35-bed involuntary treatment facility on the East side of the state for persons who are a danger to themselves or others due to drug and alcohol abuse. Priority for admissions will be for persons who are also high utilizers of hospital care.

EXPAND DRUG AND ALCOHOL TREATMENT FOR PERSONS GRAVELY DISABLED -- \$2.8 MILLION PUBLIC SAFETY AND EDUCATION ACCOUNT-STATE

The budget expands treatment capacity for persons gravely disabled from drug and alcohol abuse, including addictions to methamphetamines.

ADDITIONAL DRUG COURTS -- \$1.1 MILLION PUBLIC SAFETY AND EDUCATION ACCOUNT-STATE

Funding is provided for adult and juvenile drug courts that will lose federal funding in the next biennium.

TICKET-TO-WORK -- \$2 MILLION HEALTH SERVICES ACCOUNT, \$2 MILLION GENERAL FUND-FEDERAL

The budget authorizes Washington's participation in a new Medicaid program under which people with severe disabilities who go to work will be able to purchase Medicaid coverage. Participants will pay premiums, adjusted according to income, and receive partial federal and state subsidy for medical, dental, and personal assistance services until their income reaches approximately \$39,000 per year.

HIGH SCHOOL TRANSITION FOR YOUNG ADULTS WITH DEVELOPMENTAL DISABILITIES -

- \$2 MILLION GENERAL FUND-STATE

The budget provides funding for vocational services for young adults with developmental disabilities who are completing high school.

INCREASED VOCATIONAL REHABILITATION SERVICES -- \$1 MILLION GENERAL FUND-STATE, \$3.5 MILLION GENERAL FUND-FEDERAL

Sufficient state and local funding are provided for Washington to receive the full amount of funding for which we are expected to qualify under the federal vocational rehabilitation program

SAVINGS AND REDUCTIONS

STATE PSYCHIATRIC HOSPITAL WARD CLOSURE -- \$3.4 MILLION GENERAL FUND-STATE SAVINGS

A total of \$5.7 million is provided for community residential and support services for 120 persons who would otherwise be served in the state psychiatric hospitals. This is expected to permit closure of four state hospital wards over the course of the 2001-03 biennium, resulting in a \$3.4 million net state savings.

JUVENILE REHABILITATION

ENHANCEMENTS

ENHANCED MENTAL HEALTH SERVICES -- \$1.1 MILLION GENERAL FUND-STATE

Based on recent assessments, it is estimated that approximately 40 percent of youth in Juvenile Rehabilitation Administration facilities have a need for mental health services. Funding is provided for increased mental health staffing at the Maple Lane School and for increased medication management resources to address workload associated with increased usage of psychotropic medications.

CORRECTIONS

OFFENDER TRACKING SYSTEM REPLACEMENT (\$9.2 MILLION GENERAL FUND-STATE, \$3.3 MILLION VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT)

Funding is provided for the second phase of a project to replace the Department of Corrections Offender-Based Tracking System (OBTS) with the new Offender Management Network Information (OMNI) system, which is expected to improve the Department's reporting capabilities, reduce data entry efforts and redirect staff time towards offender supervision. (General Fund-State, Violence Reduction and Drug Enforcement Account-State)

FAMILIES AND CHILDREN

ENHANCEMENTS

INCREASE SUBSIDIZED CHILD CARE FOR LOW INCOME WORKING FAMILIES -- \$29 MILLION GENERAL FUNDS-FEDERAL

The budget increases the funded capacity for subsidized childcare in continuing support of low-income working families who are getting off and staying off welfare, and funds ongoing costs for WorkFirst services.

IMPROVEMENTS IN FOSTER CARE AND ADOPTION SUPPORT -- \$17 MILLION GENERAL FUND-STATE, \$9 MILLION GENERAL FUND-FEDERAL

The budget funds improvement in the state foster care system, including increases in the basic rate paid to foster parents, increased use of private child placing agencies, increased foster parent recruitment and new money for respite care for foster parents. The budget also provides financial assistance for an increasing number of families who adopt foster children.

QUALITY IMPROVEMENTS IN CHILD PROTECTIVE SERVICES -- \$8 MILLION GENERAL FUND-STATE, \$5 MILLION GENERAL FUND-FEDERAL

The budget reduces the average caseload for child protective services (CPS) social workers, and funds improvements in the CPS quality assurance program and risk assessment process. Average caseloads per social worker will drop from 1:29 to 1:24 during the 2001-03 biennium. This will allow the department to make progress in achieving accreditation by the Council on Accreditation for Children and Family Services as expected in ESSB 5413.

FOSTER CARE PASSPORT PROGRAM -- \$583,000 GENERAL FUND- STATE, \$875,000 GENERAL FUND-FEDERAL INCREASE

Additional funding is provided for the foster care passport system. This system provides an up-to-date medical record for all children in foster care over 90 days.

EXPAND THE PARENT-CHILD ASSISTANCE PROGRAM -- \$337,000 GENERAL FUND-STATE

The budget expands the Parent-Child Assistance Program (P-CAP). P-CAP helps mothers recover from substance abuse and prevents the consequences of fetal exposure to drugs and alcohol. The increase will allow for expanded capacity in Pierce County in connection with a clean and sober housing project that will prioritize services for mothers and children involved with methamphetamine labs.

SAVINGS AND REDUCTIONS

REDUCE FAMILY POLICY COUNCIL AND COMMUNITY HEALTH AND SAFETY NETWORK GRANTS -- \$2.2 MILLION GENERAL FUND-STATE SAVINGS

The budget funds the Family Policy Council and Network grants at 75 percent the current level for programs and networks with the best evidence of positive outcomes and contract compliance.

STREAMLINE WELFARE ADMINISTRATION -- \$2 MILLION GENERAL FUND-STATE SAVINGS, \$1 MILLION GENERAL FUND-FEDERAL SAVINGS

The budget saves \$3 million by simplifying the administration of income assistance programs.

SIMPLIFY PAYMENT OF SSI STATE SUPPLEMENTS AND REDUCE ADMINISTRATIVE COSTS -- \$6.6 MILLION GENERAL FUND-STATE SAVINGS

The budget calls for a new and simpler system for providing state supplemental payments for persons receiving federal Supplemental Security Income benefits.

NATURAL RESOURCES

SALMON AND WATER

Local planning and salmon recovery activities

SALMON RECOVERY MONITORING STRATEGY -- \$1.5 MILLION GENERAL FUND AND OTHER FUNDS

SALMON SCIENCE AND MONITORING -- \$2 MILLION GENERAL FUND-STATE

LEAD ENTITIES -- \$6 MILLION GENERAL FUND-STATE AND WATER QUALITY ACCOUNT

WATERSHED PLANNING GRANTS -- \$4.1 MILLION WATER QUALITY ACCOUNT

ENGINEERING GRANTS -- \$900,000 WATER QUALITY ACCOUNT

AGRICULTURE, FISH, AND WATER NEGOTIATIONS -- \$500,000 SALMON RECOVERY ACCOUNT

State agency capacity

ENHANCED STREAM FLOW MONITORING -- \$1.6 MILLION GENERAL FUND AND OTHER ACCOUNTS

WATER RIGHTS CHANGE DECISIONS -- \$6 MILLION GENERAL FUND-STATE AND WATER QUALITY ACCOUNT

Funding is provided to implement House Bill 1832 .

DROUGHT RESPONSE -- \$5 MILLION DROUGHT PREPAREDNESS ACCOUNT

SALMON RECOVERY PESTICIDE STRATEGY -- \$830,000 WATER QUALITY ACCOUNT

SHARING COSTS TO MANAGE STORMWATER -- \$1 MILLION STATE TOXICS CONTROL ACCOUNT

TRUST LAND ROAD IMPROVEMENTS -- \$3.8 MILLION TRUST MANAGEMENT FUNDS

CLEANING-UP TOXIC CONTAMINATION

CLEAN SITES INITIATIVE -- \$9.3 MILLION STATE TOXICS CONTROL ACCOUNT

PERSISTENT BIOACCUMULATIVE TOXIN (PBT) STRATEGY -- \$800,000 STATE TOXICS CONTROL ACCOUNT

AREA - WIDE CONTAMINATION -- \$1.2 MILLION STATE TOXICS CONTROL ACCOUNT

OTHER ENHANCEMENTS

ENHANCED FIRE PROTECTION -- \$9.8 MILLION GENERAL FUND-STATE
SAFE DRINKING WATER -- \$2.9 MILLION GENERAL FUND-STATE

STATE PARKS MAINTENANCE BACKLOG -- \$4 MILLION GENERAL FUND-STATE

STATE PARKS MANAGEMENT AND VISITOR SAFETY -- \$1.7 MILLION GENERAL FUND-STATE

STATE PARK FEES PROHIBITED

PEST CONTROL ON ABANDONED ORCHARDS -- \$900,000 STATE TOXICS CONTROL ACCOUNT
AND OTHER FUNDS

AGRICULTURE MARKETING -- \$1.7 MILLION GENERAL FUND-STATE AND MATCHING FUNDS

PUBLIC USE AND NATURAL AREA STEWARDSHIP OF STATE TRUST LANDS -- \$1.8 MILLION
GENERAL FUND-STATE AND AQUATIC LANDS ENHANCEMENT ACCOUNT

FUNDING FOR AGRICULTURAL FAIRS AND YOUTH SHOWS -- \$4 MILLION FAIR FUND

SPARTINA ERADICATION -- \$1.4 MILLION AQUATIC LANDS ENHANCEMENT ACCOUNT

SALMON LICENSE BUY-BACK -- \$6.3 MILLION GENERAL FUND-STATE AND FEDERAL FUNDS

LAKE WHATCOM WATERSHED ROAD DECOMMISSIONING -- \$2 MILLION FOREST
DEVELOPMENT ACCOUNT

LOWER SKYKOMISH HABITAT CONSERVATION PLAN -- \$250,000 GENERAL FUND-STATE

PREVENTING OIL SPILLS -- \$1.9 MILLION GENERAL FUND AND OIL SPILL PREVENTION
ACCOUNT

To establish a charter safety tug service that includes the placement of a rescue tug at Neah Bay for at least 200 days during fiscal year 2002 and the ability to dispatch safety tug services when the Department or the U.S. Coast Guard believe dispatch is warranted. Funding is also provided for the Department to study the feasibility of a tracking system using transponders and advanced radar technology.

LOCAL GOVERNMENT ASSISTANCE

I-695 ASSISTANCE TO PUBLIC HEALTH DISTRICTS, CITIES AND COUNTIES -- \$143 MILLION GENERAL FUND-STATE, PUBLIC HEALTH DISTRICTS AND DEPARTMENTS -- \$48 MILLION HEALTH SERVICES ACCOUNT

The budget provides funding of \$191 million for assistance to public health districts, cities and counties to address the impacts of Initiative I-695.

REDUCING LOCAL GOVERNMENT PENSION COSTS (\$162 MILLION LOCAL FUNDS)

The budget, through separate legislation (ESSB 6167), provides for lower local employer pension contribution rates in Public Employees' Retirement System plan 2 (PERS 2), School Employees' Retirement System plan 2 (SERS 2), Teachers' Retirement System plan 2 (TRS 2), and Law Enforcement Officers' and Fire Fighters' Retirement System plan 2 (LEOFF 2). These lower rates yield \$119.9 million in savings for PERS 2 and SERS 2 employers, \$28.5 million in savings for TRS 2 employers, and \$13.6 million in savings for LEOFF 2 employers.

CRIMINAL JUSTICE FUNDING ASSISTANCE -- \$9 MILLION IN ADDITIONAL REVENUE

Substitute Senate Bill 5309 (local government criminal justice) imposes an additional \$10 penalty for traffic infractions and an additional \$50 penalty on felony and misdemeanor traffic crimes. As a result of the legislation, it is estimated that an additional \$9 million in local government revenue will be generated.

METHAMPHETAMINE INITIATIVE -- \$5.6 MILLION PUBLIC SAFETY AND EDUCATION ACCOUNT, \$1.9 MILLION STATE OTHER FUNDS

In response to an increasing number of illegal methamphetamine labs, funding is provided for the following:- Additional officers for the State Patrol's Meth lab response team;- Crime lab equipment and personnel for analyzing meth samples;- Training for Child Protective Services workers to provide special care to children found at meth sites;- Drug courts and drug treatment for meth users;- Enhanced lab clean-up efforts; and- Increased training and educational resources for local police officers, businesses, government agencies, and the public to deal with methamphetamine issues.

EXTRAORDINARY CRIMINAL JUSTICE -- \$975,000 PUBLIC SAFETY AND EDUCATION ASSISTANCE ACCOUNT

The budget provides assistance to Franklin, Klickitat, Cowlitz, Skagit, Yakima, Thurston and Spokane counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases.

JUROR FEE INCREASE -- \$1.6 MILLION PUBLIC SAFETY AND EDUCATION ACCOUNT

Beginning on July 1, 2002, funding is included in the Office of the Administrator for the Court's budget to allow local courts to increase the rate of juror compensation from \$10 per day to \$25 per day, beginning on the second day of juror service. It is assumed that counties and cities will still pay \$10 for each day of service, and the state will pay the remainder for the second day forward.

GROWTH MANAGEMENT UPDATES -- \$3 MILLION GENERAL FUND-STATE

Local governments are required to update critical area ordinances in growth management comprehensive plans. New funding of \$3 million in state assistance is provided for critical area ordinance updates. This amount is in addition to \$3.2 million for ongoing growth management

grants and \$2.4 million for assessment of buildable lands currently budgeted for growth management assistance.

LOCAL COURT BACKLOG ASSISTANCE -- \$138,000 GENERAL FUND-STATE

The budget includes funding to pay for pro-tem judges who travel outside of their jurisdictions to assist other courts in reducing temporary backlogs.

DEPENDENCY REPRESENTATION PILOT PROGRAM -- \$600,000 GENERAL FUND-STATE

The budget provides funding to continue a pilot program through June 30, 2002, to improve defense services provided for parents involved in dependency and termination hearings.

CERTIFICATION/DECERTIFICATION OF POLICE OFFICERS -- \$374,000 PUBLIC SAFETY AND EDUCATION ACCOUNT

The budget provides funding for the implementation of HB 1062 (certification of peace officers), which establishes a certification and desertification process for police officers in the state.

COMMUNITY ASSISTANCE

EARTHQUAKE RECOVERY EFFORTS -- \$37.9 MILLION NISQUALLY EARTHQUAKE-STATE, \$157.8 MILLION NISQUALLY EARTHQUAKE-FEDERAL

The budget provides funding for costs associated with the response and recovery activities as a result of the February 28, 2001, earthquake. The funding provided is sufficient to cover the entire state match for state agency costs and one-half of the local match required for Federal Emergency Management Agency reimbursement.

EARTHQUAKE & DROUGHT ASSISTANCE -- \$25 MILLION EMERGENCY RESERVE ACCOUNT-STATE

HB 2258 appropriates money from the Emergency Reserve Account for two purposes: (1) \$20 million for future additional costs associated with repairs and recovery from the February 28, 2001, earthquake; and (2) \$5 million for drought response and prevention activities.

EMERGENCY FOOD ASSISTANCE PROGRAM -- \$1 MILLION GENERAL FUND-STATE

Funding is provided for the acquisition of equipment to preserve the increasing storage needs related to donated perishable goods. These funds are in addition to the existing level of state food assistance of \$7.4 million per biennium.

SEXUAL ASSAULT AND LEGAL ADVOCATES -- \$880,000 PUBLIC SAFETY AND EDUCATION ACCOUNT

Funds are provided for community based legal advocates to assist sexual assault victims with both civil and criminal justice issues.

ART IN COMMUNITIES AND ARTS IN EDUCATION -- \$500,000 GENERAL FUND-STATE

This will provide additional grants at the local level and improve access to the arts for all residents in Washington.

EASTERN WASHINGTON STATE HISTORICAL SOCIETY EXPANSION STAFFING -- \$447,000 GENERAL FUND-STATE

The budget funds an increase in staff for the Northwest Museum of Arts and Culture (formerly the Cheney Cowles Museum) expansion slated for completion in late 2001.

PIPELINE SAFETY -- \$1.9 MILLION PIPELINE SAFETY ACCOUNT --STATE/FEDERAL

Following the passage of the Washington State Pipeline Safety Act of 2000, the budget includes funding for the Utilities and Transportation Commission to implement an interstate and intrastate natural gas and hazardous liquid pipeline safety program.

DISPLACED WORKER ASSISTANCE -- \$200,000 GENERAL FUND STATE

Funding is provided to assist industrial workers in rural counties who have been displaced by energy-related plant closures.